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# THIRTY YEARS OF AMERICAN TRADE.

BY MICHAEL G. MULHALL, F. S. S.

THE foreign trade of the United States is relatively small. With a territory as large as Europe and a population double that of Great Britain ; with domestic industries which nearly equal the aggregate of those of Great Britain, France, and Germany,\* the American people carry on less trade with foreign nations than any of the three aforesaid countries, the ratio of such trade being only \$25 per inhabitant of the United States, against \$36 in France or Germany and \$92 in Great Britain. There has been, nevertheless, a prodigious development of American trade in the last quarter of a century, viz.:

	Million dollars yearly.			Dollars per inhabitant.
	Imports.	Exports.	Total.	
1867-71.....	425	340	765	20.10
1872-81.....	548	635	1,183	25.70
1882-91.....	712	763	1,475	25.40
1892-96.....	772	892	1,664	24.50

Comparing the fourth period with the first, we find that in 25 years there was an increase of 82 per cent. in imports, 162 per cent. in exports. It may be asked, why have not both branches of commerce advanced equally ? The reason would appear to be that in the period 1867-71 the Union, and especially the Southern States, had not recovered from the disastrous effects of civil war.

Subsequently the productive powers of the republic came into play, with force augmented every year, until the value of exports in 1892-96 rose to an annual average of \$13 per inhabitant, against \$9 in 1867-71.

There can be no doubt that trade received a great impulse

\* In 1894 the domestic industries of the United States reached 14,330 million dollars; the aggregate of those of Great Britain, France, and Germany 18,100 millions.

from the resumption of specie payments in 1880. Of this we have conclusive evidence when we compare the progress made in the last 20 years by the four principal commercial nations of the world, viz.:

	Million dollars.			Ratio of increase.
	1876.	1896.	Increase.	Per cent.
United States.....	1,001	1,662	661	66
United Kingdom. ....	3,034	3,542	508	17
Germany.....	1,790	1,997	207	11
France.....	1,814	1,862	48	3

Thus we see that the growth of the foreign trade of the United States far surpasses that of other nations, which is the more remarkable because 86 per cent. of American shipping is engaged in coasting or inland navigation, while the bulk of trade over the high seas is done on foreign bottoms, the energies of the people being mainly directed to the development of home industries and internal traffic.

2. *Import Trade.*—Textile manufactures constitute nearly one-sixth of all imports, but their relative importance is on the wane; such imports at present are equal to \$1.80 per inhabitant, against \$2.65 in the decade 1867–76. They are shown as follows:

	Million dollars yearly.			
	1867–76.	1877–86.	1887–91.	1892–96
Cottons.....	23	28	29	30
Woollens.....	41	34	49	37
Silks.....	25	30	35	31
Linens, etc.....	18	20	25	26
Total.....	107	112	138	124

It is gratifying to see the consumption of foreign textiles on the decline, since this is the result of augmented home manufacture.

The weight of fibre consumed in American mills has exactly trebled in twenty-five years, and we should have had to report a still more marvellous increase of textile industries but for the unwise tariff regulations against the importation of fibre. The duties upon hemp, flax, and jute were modified in 1891, those on wool removed in 1895, such measures resulting in greater activity among American mills. The consumption of fibre was as follows:

	Tons yearly.			
	1867-71.	1872-81.	1882-91.	1892-96.
Native wool .....	74,000	86,000	126,000	132,000
Imported wool.....	19,000	28,000	44,000	71,000
All wool.....	93,000	114,000	170,000	203,000
Cotton.....	205,000	315,000	470,000	610,000
Flax, jute, etc.....	42,000	76,000	180,000	207,000
All fibre.....	340,000	505,000	820,000	1,020,000

In the census year 1890 the mills of the Union consumed 910,000 tons of fibre and produced textile goods to the value of 689 million dollars. Since then the consumption of wool has risen 33, cotton 30, and other fibres 20 per cent. There has been, however, such a fall of prices that the actual output as regards value may be estimated at 15 per cent. higher in cottons and woollens, 10 per cent. in other fibres, over the amount produced in 1890. Deduction being made for American textile goods exported (14 million dollars of cottons and 2 million dollars of hempen articles), the consumption of such goods is at present as follows:

	Million dollars yearly.			Dollars per inhabitant.
	Home-made.	Imported.	Total.	
Cotton goods.....	294	30	324	4.70
Woollens .....	328	37	365	5.30
Silks .....	114	31	145	2.10
Linens, bags, etc.....	67	26	93	1.40
Total.....	803	124	927	13.50

The average annual consumption is \$11.70 of home-made, \$1.80 of imported, textiles per inhabitant.

Sugar and coffee come next after textiles in the list of imports, consumption increasing much faster than population, the surest proof of national prosperity and of an improved condition among the working classes, viz.:

	Tons consumed yearly.			Pounds per head.	
	1867-71.	1872-91.	1892-96.	1867-71.	1892-96.
Native sugar.....	40,000	118,000	240,000	2	8
Imported sugar....	505,000	962,000	1,710,000	30	57
All sugar.....	545,000	1,080,000	1,950,000	32	65
Coffee.....	107,000	186,000	260,000	6	9

As compared with population, we find that the consumption of sugar has doubled, that of coffee risen 50 per cent. per inhabitant, in an interval of 25 years; and in connection with this subject, as showing how such articles of consumption are affected by increase

of wealth, we may point to the fact that the census of 1890 gave each inhabitant of the Union an average of \$1,049, against \$673 in 1870, that is a rise of 56 per cent. in the individual fortunes of the people.

The importation of fibre for use in American mills has risen in 25 years from 60,000 tons to nearly 300,000 tons yearly, the value being as follows :

	Million dollars yearly.				Weight tons.
	Wool.	Silk.	Flax, etc.	Total.	
1867-71.....	7	4	3	14	60,000
1872-81.....	13	7	6	26	102,000
1882-91.....	14	18	15	47	220,000
1892-96.....	21	24	16	61	280,000

The weight of imported fibre is now 28 per cent. of what is consumed, whereas in 1867-71 it did not quite reach 18 per cent. The true policy of the United States points to a free admission of all fibres, so as to stimulate textile industries, and thus render the country independent of foreign manufactures of this description.

The value of all fibre at present consumed in American mills averages two hundred and five million dollars yearly, or 3 dollars per inhabitant, and of this amount the imported stands for exactly 30 per cent.

Hardware figures as a minor article of import, and in each decade of the thirty years under consideration has uniformly averaged 39 million dollars yearly. But it would be correct to say that the United States do not import hardware, since the value exported is much larger; the latter reached 84 million dollars in 1896.

Here it may be observed that the hardware industry (including machinery) surpasses that of any other country; the output, according to the census of 1890, was eleven hundred and two millions of dollars, the product of 784,000 operatives, while the output of hardware in Great Britain is seven hundred and ten million dollars and that of Germany 520 millions.

In reviewing the import trade of the last thirty years, and comparing it with the amount of customs dues levied thereon, we cannot fail to be surprised at finding that a great reduction of duties has not led to a corresponding increase of imports per inhabitant. On the contrary, the consumption of imports per head has fallen.

	Million dollars yearly.		Percentage of duties.	Dollars yearly per inhabitant.	
	Imports.	Duties.		Imports.	Duties.
1867-76.....	495	176	35.5	12.40	4.40
1877-86.....	598	179	30.0	11.50	3.45
1887-91.....	760	222	29.2	12.40	3.62
1892-96.....	772	165	21.4	11.30	2.41

The ratio of import dues per inhabitant is now only \$2.41, or little more than half what it was in the decade 1867-76, and yet the ratio of imports has fallen \$1.10 per head. If consumption of imports were adequately affected by tariff, the imports of 1892-96 should have been about thirty per cent. higher, averaging \$14.40 instead of \$11.30 per head.

3. *Export Trade.*—We have already had occasion to observe that the expansion of exports has been double that of imports. The exports of thirty years may be summed up thus :

	Million dollars yearly.			Dollars per in- habitant.	
	1867-76.	1877-86.	1887-96.	1867-76.	1887-96.
Food.....	141	311	305	3.50	4.75
Cotton.....	196	203	227	4.90	3.55
Sundries.....	93	234	303	2.30	4.70
Total.....	430	748	835	10.70	13.00

The value of exported merchandise has doubled in 20 years, notwithstanding a fall of 40 per cent. in prices. In the same interval the weight of exports has almost trebled, as shown in the following table :

	Tons yearly.		Pounds per inhabitant.	
	1872-76.	1892-96.	1872-76.	1892-96.
Meat.....	190,000	590,000	10	20
Grain.....	2,660,000	6,220,000	140	205
Cotton.....	560,000	1,210,000	30	40
Petroleum*.....	910,000	3,850,000	47	127
Total.....	4,320,000	11,870,000	227	392

Thus it appears that as regards quantity three Americans now export as much as five did 20 years ago, which suffices to show how groundless are the predictions of some writers who tell us that as population increases so the surplus products for exportation must diminish. In the last 20 years population has risen from forty-five to seventy-one million souls, an increase of fifty-eight per cent., and at the same time the weight of exports has risen one hundred and seventy-five per cent; that is, three times as fast as population.

\* A ton has 220 gallons.

The world is only beginning to have evidence of the enormous productive power of the United States.

In twenty years the production of grain has increased seventy-seven, meat seventy-two, per cent., as shown in the following table :

Grain, tons yearly.			Meat, tons yearly.		
	1872-76.	1892-96.		1872-76.	1892-96.
Maize.....	27,200,000	43,400,000	Beef. ....	1,300,000	2,610,000
Wheat.....	7,100,000	12,300,000	Mutton . ....	340,000	440,000
Oats, etc.....	8,800,000	20,400,000	Pork.....	1,200,000	1,850,000
Total....	43,100,000	76,100,000	Total .....	2,840,000	4,900,000

The quantities of food yearly exported are sufficient to feed 30 million persons in Europe, from which it appears that American farms raise food for 100 millions of people yearly. The Western prairies are capable of carrying double the present number of live stock, and producing ten times as much grain as they do, so that, for at least a century to come, there is every probability that the exportation of food will increase with population. The same is true as regards cotton, the crop having risen 125 per cent. in twenty years, viz.:

Tons yearly.			
	Crop.	Export.	Home use.
1872-76.....	810,000	550,000	260,000
1892-96.....	1,820,000	1,210,000	610,000

The cotton fields, which, at present, cover 24 million acres, may be doubled or trebled in area, and as the world receives 77 per cent. of its cotton from the United States, it is to be expected that production and export will go on increasing as rapidly as they have done since 1876.

As regards petroleum, the supply seems practically inexhaustible; exports since 1893 have exceeded 900 million gallons yearly, having doubled in the last ten years. In a word, from whatever point of view, the prospects of American exports are in favor of constant increase.

4. *Trade with Europe.*—There is a decided tendency in the trade of the United States to open up new channels in other parts of the world than Europe. There is an exception as regards Germany, with which country commercial relations have made striking progress in ten years, viz :

	Trade, million dollars yearly.		Ratio of increase. per cent.
	1882-86	1892-96	
<b>With</b>			
Great Britain.....	561	584	4
Germany.....	123	179	45
France.....	126	123	0
Other countries.....	158	207	31
Europe.....	968	1,093	12
Other ports.....	446	571	28
The world.....	1,414	1,664	18

The increase of trade with Europe has been only 12 per cent., while with other parts of the world it has been 28 per cent. The declining ratio of trade with Great Britain is very remarkable. In 1872-76 the mother country stood for 45 per cent. of the foreign trade of the United States, but the ratio fell to 40 per cent. in 1882-86, and to 35 per cent. in 1892-96. When we bear in mind the free-trade policy of Great Britain, and the similarity of language and race of the two countries, this decline of trade is phenomenal, seeing that it is coeval with an increase of dealings with Germany.

5. *Wanted, a North American Trade Union.*—The interests of the United States, Mexico, and Canada demand the immediate formation of a Zollverein or Commercial Union, which would abolish all custom houses between the three countries by an arrangement similar to the Zollverein, established in 1853, between Prussia, Bavaria, and the other sovereign states of Germany, without infringing on their political independence. Mexico seems ripe for a compact of this kind, as her trade with the United States is increasing, and Canada shows a similar tendency, viz. :

Trade with	Million dollars yearly.		Rate of increase. per cent.
	1887-91.	1892-96.	
Mexico.....	48	60	25
Canada.....	80	90	12

But for the existing barriers of custom houses and tariffs the trade between the United States and Canada would be double what it is, which means that the loss of trade to Canada by the present system is 45 million dollars yearly, or \$9 per inhabitant, and to the United States 45 millions, or 60 cents per inhabitant. The relative loss, therefore, falls fifteen times more heavily on Canadians than on the people of the United States, and the longer this state of things continues the worse for the



Dominion. There ought to be, as far as commerce is concerned, no more barrier between Canada and New England than between New York and Pennsylvania. The census of 1890 shows us that 8 per cent. of the population of the New England States is composed of Canadian farmers !

6. *Trade With West Indies and South America.*—The gross amount of trade, imports and exports, between the United States and the West Indies has declined in the last twenty years, partly owing to the diminished value of sugar, partly to the troubles in Cuba, as shown in the following table :

Year.	Million dollars yearly.		
	Cuba.	Other islands.	All West Indies.
1872-76.....	84	34	118
1882-86.....	58	50	108
1892-96.....	65	42	107

While there has been on the whole a falling off, this is not true of the British islands (especially Jamaica and Trinidad), with which, on the contrary, American trade has risen 95 per cent. in the above interval, those islands finding a profitable market for tropical fruits in the seaport cities of the Union. The returns of American trade with three of the principal islands show thus :

Trade with!	1875. Dollars.	1885. Dollars.	1895. Dollars.
Jamaica.....	3,400,000	5,100,000	9,700,000
Trinidad.....	1,900,000	4,600,000	4,900,000
Barbadoes.....	3,600,000	3,500,000	2,700,000
Total.....	8,900,000	13,200,000	17,300,000

The prosperity of the British West Indies is due in great measure to their proximity to the United States and the rapid development of trade that has resulted.

If Cuba were a British, instead of a Spanish, colony her trade would probably have trebled in the last 20 years, like that of Jamaica or Trinidad.

All the South American republics have opened up so many new channels of trade within the last 10 years between the northern and southern portions of the American Continent that we find an increase of 48 per cent. in their dealings with the United States, while the trade between Great Britain and South America has risen only 20 per cent. in the same time, viz.:

	American trade.		British trade.	
	Million dollars yearly.		Million dollars yearly.	
With	1882-86.	1892-96.	1882-86.	1892-96.
Brazil.....	46	85	56	56
Other republics.....	55	64	94	125
South America....	101	149	150	181

Ten years ago British trade exceeded that of the United States in South America by forty-nine per cent.; at present the excess is only twenty-one per cent., which shows that before long the bulk of South American trade will be carried on with the United States.

7. *Current of Bullion.*—It is by no means easy to say how far the current of bullion is determined, or rather affected, by an excess of imports or of exports, but it is, nevertheless, interesting to observe the influx and outflow of the precious metals, viz.:

Period.	Million dollars imported.			Million dollars exported.		
	Gold.	Silver.	Total.	Gold.	Silver.	Total.
1877-86.....	349	138	487	184	223	407
1887-96. ....	340	272	612	607	380	987
Twenty years.....	689	410	1,099	791	603	1,394

In the decade ending 1886 there was a net influx of 80 millions of the precious metals, but in that ending 1896 there was a net outflow of 375 millions. In both decades the exports of merchandise largely exceeded imports, the excess in the decade ending 1896 amounting to 701 million dollars. That is to say, during the last ten years the average annual surplus of merchandise exports was 70 million dollars, and yet so far from a net inflow of bullion there was an average outflow of the precious metals amounting to  $37\frac{1}{2}$  million dollars yearly.

This ought to show how erroneous are the old "balance-of-trade" theories, to the effect that whenever a country exported more merchandise than it imported the difference always came back in bullion, if not in the same year, at least within a given number of years.

8. *Internal Trade.*—In the preceding remarks no allusion has been made to the internal trade of the United States, which is nine times as great as the amount of interchange with foreign countries. It rose forty-nine per cent. in the interval of fourteen years, from 1880 to 1894, the increase of population having been thirty-six per cent.

	Mi. ion dollars.		Dollars per inhabitant.	
	1880.	1894.	1880.	1894.
Agricultural products.....	3,350	3,882	67	57
Manufactures .....	5,360	9,372	107	142
Forests and fisheries.....	520	624	10	9
Minerals.....	384	452	8	7
Total.....	9,614	14,330	192	215

The average per inhabitant is \$23 higher than in 1880, which shows that however rapid the growth of population the development of national resources is still more striking. If we count the working year as 300 days the internal trade will be found to average 48 million dollars daily, while external commerce is little over 5 millions. Moreover, the former progresses much faster, having risen (as we have seen) 49 per cent. since 1880, whereas foreign trade is hardly 10 per cent. higher. Internal trade is the best gauge of national progress, because it reflects the power, energy, and resources of a people.

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